

Service Date: December 30, 1983

DEPARTMENT OF' PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application	)	
of the Mountain States Telephone	)	
and Telegraph Company (Mountain	)	DOCKET NO. 83.11.79
Bell) for Authority to Establish	)	
Rates and for Approval of Generic	)	INTERIM RATE ORDER NO. 5043
Cost and Rate Design Methodology in	)	
Connection with the Implementation	)	
of its Comprehensive Rural Tele-	)	
phone Improvement Program (RTIP)	)	

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FINDINGS OF FACT

1. On November 16, 1983, Mountain Bell filed its Application for Authority to Establish Rates and for Approval of an Extended Generic Costs and Rate Design Methodology in connection with the implementation of the Comprehensive Rural Telephone Improvement Program (RTIP).
2. Concurrent with the filing of the Application, Mountain Bell filed its Verified Application for Interim Relief pursuant to 69-3-304, MCA, and the Commission Rules ARM 38.5.501, et which address the granting of interim relief by the Commission.
3. The Verified Application of Mountain Bell seeks approval of cost methodology in connection with the second year implementation of the Rural Telephone Improvement Program. The revenue requirement associated with the second year implementation is \$658,000.
4. The Application for Interim Relief requests rates calculated to cover a revenue requirement in the amount of \$576,500. Such revenue is required as a consequence of RTIP construction and implementation in 1983 pursuant to a methodology agreed to and stipulated among

and between Mountain Bell, Montana Consumer Counsel, and the staff of the Montana Public Service Commission.

5. Concurrent with the filing of the Application herein, Mountain Bell submitted a Stipulation of the parties hereto concerning the appropriate methodology for interim relief purposes.

6. The Commission finds that the Stipulation of methodology entered among and between Mountain Bell, Montana Consumer Counsel, and the staff of the Commission is reasonable.

7. The Commission finds that the Rural Telephone Improvement Program in Montana is indeed a unique situation and, as such, has in previous orders reflected this finding. See: Orders 4839, 4839a, 4950a, 4950b, and 4950c.

8. Section 69-3-304, MCA, and ARM 38.5.501, et seq., specifically authorize this Commission to temporarily approve increases in rates subject to rebate pending a hearing or final decision.

9. The Commission finds that the sum of \$576,500 developed pursuant to the stipulated methodology of the parties constitutes increased costs to Mountain Bell of the single, clearly measurable expenditure, justifying the granting of interim relief prior to hearing.

10. The Commission further finds that the proposed methodology for rate increase and rate treatment can be calculated precisely to match the known increased expenditures, and that the known expenditures which are the subject of Mountain Bell's Application for Interim Relief have resulted in connection with the Rural Telephone Improvement Program through and including September 30, 1983.

11. The Commission finds that Mountain Bell is entitled to interim rate relief in the amount of \$576,500.

12. The interim relief found appropriate in this Order is subject to rebate with interest should the Commission find a lesser amount of relief be justified in its Final Order.

13. The interim relief found appropriate in this Order should be spread consistent with Finding of Fact No. 128, Docket No. 83.3.18, Order No. 4991b.

### CONCLUSIONS OF LAW

1. Applicant, the Mountain States Telephone and Telegraph Company is a corporation providing telephone and other communications services within the State of Montana and as such is a “utility” within the meaning of 69-3-101, MCA.

2. Montana Public Service Commission properly exercises its jurisdiction over the Applicant’s Montana operations pursuant to Title 69, Chapter 3, Montana Codes Annotated.

3. Section 69-3-304, MCA, provides in part, “the Commission may, in its discretion, temporarily approve increase pending a hearing or final decision.

4. The rate levels and spread approved herein are a reasonable means of providing interim relief to Mountain Bell. The rebate provisions of 69-3-304, MCA, protect ratepayers in the event any revenue increases authorized by this Order are found to be unjustified in the Final Order this Docket.

### ORDER

#### THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Applicant, Mountain Bell, is hereby granted interim rate relief in the amount of \$576,500 on an annual basis.

2. Interim revenues granted herein are subject to rebate should the Final Order in this docket determine that a lesser increase is warranted. Such a rebate will include compound interest

DOCKET NO. 83.11.79, INTERIM ORDER NO. 5043  
pursuant to Section 69-3-304, MCA.

DONE IN OPEN SESSION THIS 22nd day of December, 1983, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

THOMAS J. SCHNEIDER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Iris Basta, Acting Secretary

Madeline L. Cottrill  
Commission Secretary

(SEAL)

(SEAL)